

Appendix 1 - Risk Register

Number	Function	Risk	Impact	Pre Mitigants			Mitigating Actions / Control Framework	Current Impacting Factors	Post Mitigants				
				Impact	Likelihood	Score			Impact	Likelihood	Score	Previous score	Trend
NR06	Governance	Loss of IT, including cyber attack & loss of power	Fund is unable to operate Members do not receive pension payment on time	Critical	Almost Certain	25	<ul style="list-style-type: none"> - Business continuity plan reviewed and tested - B&NES cyber security policy and system defence - Heywood Business Continuity plan in place - Pensions Dashboards security framework in place 	Hosted server arrangement with Heywood Implementation of General Code of Practice Requirements Emerging risk that pension dashboard will increase potential scamming activity	Critical	Likely	20	20	→
NR02	Regs	Regulatory changes	Breach of regulations Poor member outcomes Increased workloads for officers	High	Almost Certain	20	<ul style="list-style-type: none"> - Regulatory changes monitored via LGA and professional advisors - Officers attend SWAPOG/Tech Group/Working groups - Regulatory projects included in service plans - Officers respond to consultations - Software providers are more responsive to regulatory change 	McCloud Remedy Pensions Dashboard Resource implications of access and fairness regulations Access and Protections implications	Medium	Almost certain	15	15	→
NR01	Admin	Poor service levels below agreed standards	Service standards not met Poor member outcomes Breach of regulations	Critical	Almost Certain	25	<ul style="list-style-type: none"> - KPIs and complaints monitored and acted on - Plan to digitise will improve self-serve and operations efficiency - Staff vacancies below 6%, ongoing training and development - Process improvements have been implemented - Review of Top 10 Process Controls done - Plan to minimise effects of key people/resources - Business Continuity and Crisis Communications Plan in place - Operations in steady state 	Transformation project Skills and experience of staff New Regulations Implementation of process reviews Pensions Dashboard go live pending	High	Possible	12	16	↑
NR19	Investments	Move to new asset pool	Challenging timelines increase risk of poor decision making Significant increase in workload Potential impact to investment strategy and disruption to service provision Potential loss of influence / control within pool Increased costs due to transition of assets plus possible wind down of Brunel Ltd	High	Almost Certain	20	<ul style="list-style-type: none"> - LPPI chosen pool - Legal advice sought for Brunel wind-up and LPPI entry - All partner funds granted shareholder status - Good progress made towards finalising legal agreements. Appropriate Governance arrangement starting to take shape. - Building working relationship with LPPI to mitigate service provision risks. Retaining some external advice to provide resilience. 	Speed of change driven by government is challenging Working with LPPI, Brunel and partner funds on transition options	Medium	Likely	12	15	↑
NR05	Governance	Failure to manage personal data per regulations	Personal data corrupted or illegally shared Member detriment Fines and reputational damage	Critical	Almost Certain	25	<ul style="list-style-type: none"> - One West is Data Protection Officer for Fund and advises on data protection matters - Record of processing and privacy notice set out how data is managed - Processes reviewed and updated following minor breaches - Regular officer training - Data sharing/transfer agreements and DPIAs implemented for all relevant projects 	Skills and experience of staff Electronically submitted data Introduce bulk processes Potential updates to telephone system	High	Possible	12	12	→
NR10	Investments	Failure to earn investment returns as per Funding Strategy	Employer contributions need to rise	Critical	Likely	20	<ul style="list-style-type: none"> - Diversified asset allocation - Professional and independent investment advice - Risk management strategy supports funding strategy - FRMG & Investment Panel monitor performance and risk - Periodic strategic investment review 	Heightened geo political risk Lower global growth and higher inflation/interest rates	High	Possible	12	12	→
NR11	Investments	LPPI fails to deliver client objectives regarding service delivery	Affects Fund's ability to achieve investment objectives	Critical	Possible	15	<ul style="list-style-type: none"> - LPPI governance framework for strategic and operational decision making - Robust performance reporting - Avon-LPPI working group (internal) 	Future of pooling is strategic challenge for pool, focus needs to be on BAU	High	Possible	12	12	→
NR04	Governance	Governance of Fund not in accordance with APF policies Controls not adequate	Member detriment Additional costs for Fund Fines for non-compliance Disciplinary issues and reputational risk Fraud	High	Almost Certain	20	<ul style="list-style-type: none"> - Internal Audit plan in place - Fund policies regularly reviewed - Counter fraud measures in place - Media enquiries dealt with per B&NES policy - Contracts in place with legal advisors and PR professionals - Media monitoring undertaken - Action plan in place for TPR GCOP 	Fit for Future regulatory changes to Investment & Fund governance arrangements TPR General Code of Practice Counter Fraud risk assessment to be conducted	Medium	Likely	12	12	→
NR12	Investments	Failure to achieve interim climate targets (decarbonisation, alignment and engagement)	Reputational risk from failing to meet targets and financial risk arising from slower than expected transition (given current Fund SAA)	High	Likely	16	<ul style="list-style-type: none"> •SAA • Independnet assessment of progress • Collective engagement and membership of industry bodies • Screens and divestment criteria based on industry best practice 	<ul style="list-style-type: none"> • Tougher policy backdrop • Transition to new Pool • Limited scope to further enhance SAA 	Medium	Possible	9	12	↑

NR07	Employers Data	Employers do not comply with regulatory responsibilities, LGPS regulations or the Funding Strategy Statement	Poor member data Fines and greater scrutiny by TPR Employer liabilities incorrect if data is incorrect Non-compliance with the FSS and funding policies Reputational risk of litigation	Critical	Likely	20	<ul style="list-style-type: none"> - Management of employers set out in admin strategy/MOU - Employer KPIs recorded and monitored vs TPR standards - Employer training - Employer regulatory newsletter - Reconciliation of Iconnect and Accounts in regards to contributions and data provided - Specialist legal and actuarial advice needed to resolve employer issues - Clear policies in FSS set out process and employer obligations 	TPR General Code of Practice Administration Strategy currently out for consultation	Medium	Possible	9	9	→
NR08	Employers Funding	Employers unable to meet financial obligations to Fund	Financial cost to other employers in the Fund	High	Likely	16	<ul style="list-style-type: none"> - Policies on employer financial stability set out in FSS and ISS - Strong covenant management and information gathering processes - Quarterly review and mitigating action 	Challenging public sector funding environment Valuation in progress	Medium	Possible	9	9	→
NR09	Investments	Operational risks of investment managers, custodian and other investment suppliers	Loss of assets Inability to trade in assets inaccessible	High	Possible	12	<ul style="list-style-type: none"> - Due diligence and audits of service providers, managers - Controls embedded in investment management agreements - Diversification across different asset managers - Quarterly service & risk review with LPPI and suppliers 	Data management and cyber risk	Medium	Possible	9	9	→
NR16	Finance	Cashflow profile is maturing	Not enough cash in bank to meet pension payments	Critical	Almost Certain	25	<ul style="list-style-type: none"> - Monthly monitoring & forecast of cashflow - Increased the cash buffer from £25m to £30m to meet increasing monthly outflows - Tradeable assets can be swiftly sold - Strict limits on illiquid assets - Post-triennial valuation, contributions expected to fall from April 2026, increasing cash needs 	Increased the cash balance that can be held in money market funds	High	Unlikely	8	8	→
NR14	Investments	An increase in leverage materially reduces capital value leading to an unplanned and significant deviation in strategic asset allocation	LDI strategy may have to be unwound if insufficient collateral Inability to raise hedge ratio	High	Likely	16	<ul style="list-style-type: none"> - Maintain collateral at prudent level with materia buffer vs risks - Set hedge ratio at level that can be adequately collateralised - Auto pause when LDI hedge ratio hits 40% - Offsetting nature of synthetic equity and equity protection strategies dampens leverage requirements - Simplification of LDI programme post 2025 ISR makes monitoring leverage and collateral easier 	UK gilt market environment Currently have high collateral buffer	High	Unlikely	8	8	→
NR03	Governance	Pension Committee and Pension Board cannot operate effectively	Delays in decision making by the Pension Committee Limited oversight from the Pension Board Failure to meet MIFID & TPR regulations	Medium	Almost Certain	15	<ul style="list-style-type: none"> - Representation set out in Fund's representation policy - Knowledge requirements in Training policy - Compliance vs regulations defined in Compliance Statement - Decisions responsibilities set out in decision matrix - Terms of Reference set out governance framework 	Recruitment for replacement Academy Rep and new Independent Person role	Medium	Unlikely	6	6	→
NR13	Investments	Treasury investments	Loss of capital or income on cash Delayed return of principle or investment income	Medium	Possible	9	<ul style="list-style-type: none"> - Adopt B&NES Treasury management policy - Due diligence on banks - Diversification across multiple suppliers - Consultation with treasury management advisors 	Increased number of money market funds to invest in	Medium	Unlikely	6	6	→
NR17	Finance	Late / incorrect contributions from employers	Cashflow shortfalls Employer funding Deficits / Default TPR breach	Medium	Possible	9	<ul style="list-style-type: none"> - Monthly reconciliations of contributions - Management reviews and action - Mercer funding monitor tool - Larger employers pre pay contributions - More employers in surplus heightens the risk of incorrect contributions 	Employer budgets stretched by insufficient funding Increased reconciliations and additional checks Issue updated guidance to employers on surplus deductions	Low	Possible	6	6	→